

## Message Text

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PAGE 01 MADRID 04171 271811Z  
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
-----271822Z 087741 /41  
P 271705Z MAY 77  
FM AMEMBASSY MADRID  
TO SECSTATE WASHDC PRIORITY 481

C O N F I D E N T I A L MADRID 4171

STADIS////////////////////////////////

EXDIS

FOR UNDERSECRETARY HABIB, ASSISTANT SECRETARY HARTMAN AND  
DALE GOOD (S/IL) ONLY

E.O.11652: GDS  
TAGS: LAB, SP  
SUBJECT: ASSISTANCE TO THE UGT STALLED

REF: MADRID 3451

1. MANUEL SIMON (UGT INTERNATIONAL SECRETARY), WHO ACCOMPANIED UGT SEC GEN NICOLAS REDONDO ON HIS RECENT MAY 2-18 VISIT TO U.S. (WHERE REDONDO MET WITH GEORGE MEANY, LEONARD WOODCOOK, AND LABOR SECRETARY MARSHALL AMONG OTHERS), WAS VERY DEPRESSED DURING MEETING WITH LABATT MAY 26 CONCERNING LACK OF PROGRESS ON UGT/DGB LOAN (REFTEL). REDONDO, WHO HAD INTERRUPTED HIS U.S. TRIP TO FLY HASTILY BACK TO MADRID IN HOPES OF NAILING DOWN LOAN DETAILS WITH GOS AND WEST GERMANS, HAD FOUND MATTERS STALLED WHEN HE MET WITH SYNDICAL RELATIONS MINISTER DE LA MATA. ACCORDING TO SIMON, DE LA MATA HAD COMPLAINED ABOUT THE MAGNITUDE OF THE PROPOSED LOAN (US\$4 MILLION), POINTING OUT THAT IT WOULD BE "A GREAT RESPONSIBILITY" TO APPROVE SUCH AN AMOUNT. HE ADDED THAT HE HAD BEEN "UNDER ATTACK" FROM  
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OTHER ELEMENTS OF THE GOVT FOR EVEN CONSIDERING SUCH AN OPERATION, AND FURTHER SUGGESTED IT MIGHT BE BEST TO POSTPONE MATTER UNTIL "AFTER THE JUNE 15 ELECTIONS". HE HAD THEN OFFERED TO GUARANTEE A TOTAL LOAN OF PTAS. 20 MILLION (APPROXIMATELY US \$290,000) WHICH REDONDO REJECTED. SIMON POINTED OUT THAT SUCH AN AMOUNT WOULD BARELY PAY FOR ONE MONTH'S ACTIVITIES IN THE ALL-OUT ORGANIZATIONAL CAMPAIGN

WHICH THE UGT HAD HOPED TO LAUNCH IN IT CHALLENGE TO THE COMMUNISTADOMINATED WORKERS' COMMISSIONS (SWC). DE LA MATA HAD PROMISED REDONDO HE WOULD DISCUSS THE LOAN FURTHER WITH THE GOVT.

2. REDONDO HAS INFORMED IRVING BROWN (CURRENTLY IN GENEVA) OF SITUATION, AND BROWN HAS SENT MESSAGE TO DE LA MATA ASKING FOR AN EXPLANATION. DE LA MATA MAY WELL CHOOSE TO DELAY HIS REPLY UNTIL HE SEES BROWN IN GENEVA AT OPENING OF ILO CONFERENCE JUNE 1.

3. WE CAN ONLY SPECULATE THAT DE LA MATA HAS GOTTEN WORD FROM PRIME MINISTER SUAREZ TO HOLD OFF ON THE UGT LOAN, POSSIBLY BECAUSE THE GOS IS SKITTISH ABOUT SEEING LARGE SUMS GO TO THE UGT ALLIED TO THE SOCIALIST PSOEL IN THE MIDST OF AN ELECTION CAMPAIGN. WE UNDERSTAND FROM SIMON THAT PSOE LEADER FELIPE GONZALEZ STRESSED THE IMPORTANCE OF BUILDING UP THE STRENGTH OF THE UGT DURING HIS RECENT MEETING WITH THE KING. SIMON CLAIMS THE GOVT'S POSITION HAS THE EFFECT OF "FAVORING THE SWC AND MORTGAGING OUR FUTURE" AT A CRITICAL PERIOD, AND THEY CANNOTN HE SAYS , BEGIN TO STAND UP TO THE SWC-ESPECIALLY IN THE PROVINCES OFFICES. THE WEST GERMAN DGB HAS FOR SOME TIME BEEN PREPARED TO MOVE SWIFTLY ON THE LOAN, BUT NOT, UNDERSTANDABLYN WITHOUT A GOS GUARANTEE.STABLER

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## Message Attributes

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**Decaption Note:** 25 YEAR REVIEW  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
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**Reference:** 77 MADRID 3451  
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**TAGS:** ELAB, SP, US, (SIMON, MANUEL)  
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